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# Former insurance agent gets 5 years in fraud case

BY BILL LODGE

Advocate staff writer

May 17, 2013

1 COMMENTS

A Denham Springs man was sentenced Thursday in Baton Rouge federal court to nearly five years in prison and ordered to pay two life insurance companies more than \$1.4 million for frauds he committed against them.

Timothy R. Schlatre, 35, must report to prison by 2 p.m. June 24 to begin serving his 57-month sentence for one count each of mail fraud and money laundering, U.S. District Judge James J. Brady ordered.

The case had been assigned to Chief U.S. District Judge Brian A. Jackson, but Jackson was ill Thursday.

Six other Livingston Parish residents pleaded guilty in the case earlier.

But Schlatre was identified by Assistant U.S. Attorney Rene I. Salomon as the organizer of the scheme that bilked New York Life and Lincoln Financial of a combined total in excess of \$1.4 million. Schlatre was an insurance agent for both firms.

Ian F. Hipwell, an attorney for Schlatre, asked Brady to sentence his client to three years in prison, nearly three years less than the guideline minimum of 57 months.

“He (Schlatre) has truly turned his life around,” Hipwell told the judge.

“What is your suggestion?” Brady asked Salomon, the prosecutor.

“To follow the law,” Salomon replied, before asking that Schlatre be sentenced to between 57 months and 71 months in federal prison.

“He (Schlatre) was knocking down probably \$200,000 a year” from honest work as an insurance agent, Salomon told the judge.

That was before Schlatre upgraded his lifestyle to include expensive travel and gambling, the prosecutor added.

“I’m not a bad person,” Schlatre told Brady. “I made some bad choices.

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I'm very sorry. I just beg you to still allow me to provide for my family. I've learned a severe lesson, and I am truly sorry."

"You're knocking them dead in a legitimate way," Brady told Schlatre. "What was the need" for the fraudulent scheme?"

"Greed," Schlatre said, after a long pause.

"I suspect you're right," Brady replied.

Added the judge: "What you did was terribly wrong. That's the reason I am imposing this sentence."

Schlatre admitted he had customers inflate their financial statements in order to qualify them for life insurance policies for which he received more than \$1.4 million in commissions.

He shared some of that money with the customers, who either paid policy premiums with insufficiently funded checks or stopped payment on checks that were adequately funded.

Six of those customers pleaded guilty earlier to a charge of conspiracy to commit mail fraud.

Ricky J. Austin, 49, of Denham Springs, has not yet been sentenced.

Walker resident Jason Paul Austin, 32, son of Ricky Austin, was sentenced to two years' probation in March and ordered by Jackson to pay restitution of \$10,256.

Jason Austin's former wife, Jodi Marie Austin, 34, was placed on probation for one year and ordered to pay restitution of \$2,706.

Denham Springs resident Jimmy O. Cassels, 33, and his wife, Dena Gaudet, 33, were each placed on two years of probation. Gaudet must pay restitution of \$17,556, and Cassels must pay \$25,610.

Walker resident Todd D. Cummings, 34, is serving two years of probation and has been ordered to pay restitution of \$10,251.

U.S. Attorney Donald J. Cazayoux Jr. said after Schlatre's sentencing that the case was investigated by the FBI, IRS and Louisiana Office of Inspector General.

"There is a price to be paid for engaging in fraud schemes," Inspector General Stephen Street said in a written statement. "Mr. Schlatre ... will now be held accountable."



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